

June 21, 2021

VIA ECF

Honorable André M. Espinosa
United States District Court
District of New Jersey
Martin Luther King, Jr. Courthouse
50 Walnut Street
Room 2037, Courtroom 2D
Newark, NJ 07102

**RE: Dotcom Distribution Corp. v.
Travelers Property Casualty Company of America and
The Phoenix Insurance Company
No. 2:20-cv-17871**

Dear Judge Espinosa:

The parties jointly submit this letter in advance of the status conference in the above-referenced matter scheduled for June 23, 2021. Arthur R. Armstrong, Esq., of Flaster Greenberg, P.C., will appear on behalf of Plaintiff Dotcom Distribution Corp. (“Plaintiff” or “Dotcom”). Adam A. Alster, Esq. and Rachel Hager, Esq. of Finazzo Cossolini O’Leary Meola & Hager, LLC, will appear on behalf of Defendants Travelers Property and Casualty Company of America and The Phoenix Insurance Company (collectively, “Defendants” or “Travelers”).

By way of background, this matter involves an insurance coverage dispute between Dotcom and Travelers. The dispute involves insurance coverage for claims asserted by Adore Me, Inc. against Dotcom in an arbitration proceeding (the “Adore Me Arbitration”).

Dotcom asserted the following causes of action: Breach of Contract (Count I); Breach of the Implied Covenant of Good Faith and Fair Dealing (Count II); Violation of the New Jersey Consumer Fraud Act (Count III); and Declaratory Judgment (Count IV).

Defendants filed an answer denying Plaintiff’s causes of action and asserting, among other defenses, that Plaintiff’s claims are barred by the terms of Defendants’ policies, that Plaintiff’s claims do not involve physical loss of or damage to Covered Property from any Covered Causes of Loss, that to the extent the alleged loss was caused by or resulted from delay, loss of use, loss of market value, other consequential loss, unexplained disappearances and/or shortages found upon taking inventory, the alleged loss is excluded under the Defendants’ policies and that some or all of the damages alleged did not take place during the applicable policy periods.

Honorable André M. Espinosa

June 21, 2021

Page 2

Dotcom was provided a defense of the Adore Me Arbitration by two other insurance companies, both of which provided Dotcom with separate defense counsel. Then, after the commencement of this litigation, Travelers began providing a defense to Dotcom in the Adore Me Arbitration by providing an additional third defense counsel. The Adore Me Arbitration recently settled, with the funding of such settlement paid by Travelers and the two other insurance companies that provided a defense. After the settlement of the Adore Me action and Travelers' specific request for Dotcom to provide a settlement demand, Dotcom made a settlement demand to Travelers. Travelers is currently reviewing the demand and intends to respond to the settlement demand shortly.

The parties have agreed to a mutual extension of time to July 6, 2021 to respond to outstanding written discovery requests. The parties will proceed to complete written discovery and depositions in the coming months. The discovery end date is November 1, 2021.

The parties look forward to speaking with Your Honor at the conference later this week. In the meantime, should the Court require any additional information, please let us know.

Respectfully submitted,

FLASTER/GREENBERG P.C.

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